

104TH CONGRESS  
1ST SESSION

# S. 263

To amend the Mineral Leasing Act to provide for leasing of certain lands for oil and gas purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 10), 1995

Mr. CAMPBELL introduced the following bill; which was read twice and referred to the Committee on Armed Services

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## A BILL

To amend the Mineral Leasing Act to provide for leasing of certain lands for oil and gas purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       SECTION 1. Section 17 of the Mineral Leasing Act  
4       (30 U.S.C. 226) is amended by adding the following new  
5       subsection at the end thereof:

6       “(O)(1) AUTHORITY TO LEASE.—Notwithstanding  
7       any other provision of law, the Secretary of the Interior,  
8       in consultation with the Secretary of Energy, may lease  
9       for oil and gas exploration, development, and production  
10      the public domain lands located in Garfield County, Colo-

1 rado, reserved by Executive order of the President dated  
2 December 6, 1916 (as amended by Executive order of the  
3 President dated June 12, 1919), and by Executive order  
4 of the President dated September 27, 1924, subject to  
5 valid existing rights, and pursuant to the requirements of  
6 this Act.

7 “(2) MANAGEMENT.—The Secretary of the Interior,  
8 through the Bureau of Land Management, shall hereafter  
9 manage the surface estate in the lands covered by this  
10 subsection, pursuant to the Federal Land Policy and Man-  
11 agement Act of 1976 (43 U.S.C. 1701, et seq.), and other  
12 laws applicable to the public lands.

13 “(3) ROYALTY.—A lease of lands by the Secretary  
14 of the Interior under this subsection shall be conditioned  
15 upon the payment of a royalty pursuant to subsection (b)  
16 of this section, except that the Secretary may establish  
17 a sliding scale royalty of not less than 12.5 percent and  
18 not more than 25 percent in amount or value of the pro-  
19 duction removed or sold from the lease.

20 “(A) Subject to the provisions of this para-  
21 graph, a lease of lands by the Secretary of the Inte-  
22 rior under this subsection shall be conditioned upon  
23 the payment of a royalty pursuant to subsection (b).

24 “(B) The Secretary of the Interior may estab-  
25 lish a sliding scale royalty of not less than 12.5 per-

1 cent and not more than 25 percent in value of the  
2 production removed or sold from a lease under this  
3 subsection.

4 “(C) The royalty payable to the United States  
5 on oil or gas produced on said lands, shall be paid  
6 in crude oil of a quality acceptable to the Secretary  
7 of Energy produced on or off the reserve and shall  
8 be deposited into the Strategic Petroleum Reserve  
9 established pursuant to the Energy Policy and Con-  
10 servation Act (42 U.S.C. 6235 et seq.): *Provided*,  
11 That 50 percent of the value that the Secretary es-  
12 tablishes for the royalty oil shall be paid to the State  
13 from amounts received which otherwise would be de-  
14 posited to the Treasury as miscellaneous receipts  
15 under section 35 of this Act, as amended: *Provided*  
16 *further*, That with respect to such royalty oil there  
17 shall be no payment to the reclamation fund or the  
18 Treasury as miscellaneous receipts under section 35  
19 of this Act, as amended.

20 “(4) EXISTING EQUIPMENT.—The lease of lands by  
21 the Secretary under this subsection may include the trans-  
22 fer, at fair market value, of wells, gathering lines, and re-  
23 lated equipment owned by the United States on the lands  
24 referenced in paragraph (1) and suitable for use in the

1 exploration, development, or production of hydrocarbons  
2 on such lands.

3 “(5) COST MINIMIZATION.—The Secretary of the In-  
4 terior shall take all actions necessary to ensure that the  
5 cost of compliance with this section is minimized.

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